

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF[261]**Adopted and Filed Emergency**

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development adopts amendments to Chapter 74, “Grow Iowa Values Financial Assistance Program,” Iowa Administrative Code.

These amendments allow businesses affected by the 2008 disasters to apply for assistance under the disaster recovery component through the end of July 2009 and align the eligibility requirements for businesses affected by the 2008 disasters with the requirements of the disaster recovery provisions under the former CEBA program.

The Iowa Economic Development Board adopted the amendments July 1, 2009.

In compliance with Iowa Code section 17A.4(3), the Department finds that notice and public participation are impracticable and contrary to the public interest because there is an immediate need to continue to assist businesses affected by the 2008 disasters.

The Department finds, pursuant to Iowa Code section 17A.5(2)“b”(2), that the normal effective date of the amendments should be waived and the amendments be made effective on July 1, 2009, the same date on which 2009 Iowa Acts, Senate File 344, became effective. These amendments confer a benefit on the public by extending the window of opportunity for disaster-affected businesses to seek financial assistance which will assist those businesses in resuming operations to a pre-disaster state.

These amendments became effective on July 1, 2009.

These amendments are intended to implement 2009 Iowa Acts, Senate File 344.

The following amendments are adopted.

Amend rule 261—74.7(83GA,SF344) as follows:

261—74.7(83GA,SF344) Disaster recovery component.**74.7(1) Eligibility—for businesses affected by a disaster occurring before July 1, 2009.**

a. Eligibility requirements. In order to qualify for financial assistance under the disaster recovery component of the program, a business shall meet all of the following conditions:

(1) The business is located in an area declared a disaster area by a federal official before July 1, 2009.

(2) The business must document that it has sustained substantial physical damage related to the natural disaster. For purposes of this rule, “substantial physical damage” means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

(3) The business must commit to bring its employment level up, within six months of the award date, to at least 90 percent of its base employment prior to the closure of the business due to the natural disaster in a federally declared disaster area. The business shall submit payroll records to establish the business’s employment base prior to the date of the federal disaster declaration.

(4) The business must commit to paying wages, within six months of the award date, that are no less than the wages paid prior to the closure of the business due to the natural disaster in a federally declared disaster area. The business shall submit payroll records to establish the wages that were paid prior to the date of the federal disaster declaration.

(5) The business must apply for assistance by July 31, 2009.

b. Project initiation. The board may elect to fund applications under this component for projects which have been initiated.

c. Local match. The board will determine if local match will be needed and what level of local match will be acceptable.

74.7(1) 74.7(2) Eligibility—for businesses affected by a disaster occurring on or after July 1, 2009.

a. Eligibility requirements. In order to qualify for financial assistance under the disaster recovery component of the program, a business shall meet all of the following conditions:

~~4.~~ (1) The business is located in an area declared a disaster area by a federal official on or after July 1, 2009.

~~5.~~ (2) The business has sustained substantial physical damage and has closed as the result of a natural disaster. For purposes of this rule, “sustained substantial physical damage” means damage of any origin sustained by a structure or the machinery and equipment contained within whereby the cost of restoring the structure to its before-damaged condition or replacing the machinery and equipment would exceed 50 percent of the market value of the structure or machinery and equipment before the damage occurred. If the business is located in a multitenant building, the market value of the structure before the damage occurred may be prorated based on the percentage of space within the building which the business occupies.

~~6.~~ (3) The business must commit to bringing its employment level up, within six months of the award date, to at least 90 percent of its base employment prior to the closure of the business due to the natural disaster in a ~~presidentially~~ federally declared disaster area. The business shall submit payroll records to establish the business’s employment base prior to the date of the ~~presidential~~ federal disaster declaration.

~~7.~~ (4) The business must commit to paying wages, within six months of the award date, that are no less than the wages paid prior to the closure of the business due to the natural disaster in a ~~presidentially~~ federally declared disaster area. The business shall submit payroll records to establish the wages that were paid prior to the date of the ~~presidential~~ federal disaster declaration.

~~8.~~ (5) The business must apply for assistance within 12 months of the date of the declaration of disaster by a federal official.

~~74.7(2)~~ b. *Local match not required.* A business applying for financial assistance under ~~the~~ this disaster recovery component is eligible for financial assistance regardless of whether the business has received matching funds from a city or county. This paragraph only applies to businesses eligible for assistance under subrule 74.7(2).

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 7/29/09.